



**Office of the Attorney General
Paul G. Summers**

NEWS RELEASE

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**Attorney General and Department of Revenue Announce Filing of Lawsuit Against
Local Tobacco Distributor for State Law Violations**

Tennessee Attorney General Paul G. Summers, on behalf of Commissioner Loren L. Chumley of the Department of Revenue, has filed suit against a local tobacco distributor for allegedly failing to file several required revenue reports among other allegations.

Named in the lawsuit are December Pennington and Charles Ellis Smith, both individually and doing business as S&S Wholesale, and S&S Wholesale of Murfreesboro and Smyrna, Tennessee (collectively referred to as "S&S Wholesale"). S&S Wholesale is a "licensed agent" in Tennessee, which means it is authorized to affix tobacco stamps to tobacco products.

The State's lawsuit alleges that S&S Wholesale did not file its wholesale licensed distributor reports for August, 2005, September, 2005, October, 2005, November, 2005, December, 2005 and January, 2005 required by state law to file as a licensed wholesaler selling tobacco products in Tennessee. The State also alleges that S&S has repeatedly failed to file its licensed distributor reports in the time period required by state law. S&S has also failed to provide a required electronic mail address to the Department.

S&S Wholesale is also alleged to have sold "Unify" and "Berkley" cigarettes to retailers in the State of Tennessee when the cigarettes were not listed on the State's Directory. Tennessee law prohibits tax stamps from being affixed to any tobacco product that is not listed on the State's Tobacco Product Manufacturer and Brand Family Directory. (See <http://www.state.tn.us/revenue/tntaxes/tobacco/listings.htm>). In Tennessee, it is also illegal to sell, distribute, transport or import non-Directory listed cigarettes.

The State is seeking a temporary and permanent injunction requiring S&S Wholesale to stop violating state law and requiring them to file the required reports. The State also seeks attorneys' fees and disgorgement of profits from the sale of the allegedly illegal cigarettes in Tennessee.

Anyone with information about any person or entity that is not complying with Tennessee's tobacco regulation statutes is encouraged to call the Attorney General's hotline at (615) 532-9480 (for local calls) or (800) 890-8366. The hotline is set up to receive information and comments by voice mail. The staff monitors messages and caller may remain anonymous.